



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

DAVID E. JANSSEN
Chief Administrative Officer

June 18, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

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Third District

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MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**LEASE AMENDMENT NO. 1
DEPARTMENT OF HUMAN RESOURCES
3333 WILSHIRE BOULEVARD, LOS ANGELES
(SECOND) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 1 to Lease No. 71245 with 3333 WILSHIRE, LLC, (Lessor) for the early exercise of the County's option to renew the lease for an additional five-year term providing continued occupancy of 31,500 rentable square feet of office space, 141 parking spaces, expanding the premises by an additional 12,625 rentable square feet of office space and 50 parking spaces for the Department of Human Resources (DHR) at the initial annual maximum rental rate of \$783,367. Rental costs are 100 percent net County cost.
2. Authorize the Chief Administrative Officer to exercise an option to lease an additional 10,234 rentable square feet of space at the same terms, conditions (including tenant improvements) and rental rate.
3. Authorize the Lessor and/or the Director of the Internal Services Department (ISD), at the direction of the Chief Administrative Office (CAO), to acquire a telephone system for DHR's expansion space at a cost not to exceed \$250,000. The full cost of the new telephone, data and low voltage systems will be paid in a lump sum payment by DHR.
4. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

5. Approve the project and authorize the CAO, DHR and ISD to implement the project. The amended lease will become effective upon approval by your Board and the rent for the expansion space will become effective upon completion and acceptance of the improvements to that space.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the proposed action will extend the current lease and increase the space occupied by DHR's existing programs allowing for the housing of positions approved by the Board in the 2001-02 budget relieving the overcrowding in the current space. In addition, a portion of the renewal space will be reallocated to the CAO upon transfer of risk management positions from DHR.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are expanding operations while relieving overcrowded conditions and maximizing service accessibility as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The annual cost of the proposed amendment will be at an initial maximum rental rate of \$783,367.

3333 Wilshire Blvd.	Existing Lease	Proposed Amendment No. 1 to Lease No. 71245	Change
Area (Square Feet)	31,500	44,125	12,625
Term (Years)	5 (4/10/98 to 4/9/03)	6	5 additional years
Annual Base Rent	\$434,493 (\$13.79 sq.ft.) (Prior to the CPI adjustment due May 1, 2002)	\$619,515 (\$14.04 sq.ft.) (Including May 1, 2002 adjustment)	\$185,022
TI Allowance Included in Base Rent Maximum Additional TI	\$1,317,497 (\$41.82 sq.ft.) \$157,500 (\$5.00 sq.ft.) \$1,159,997 (\$36.82 sq.ft.)	\$820,625 (\$65.00 sq.ft.)** \$63,125 (\$5.00 sq.ft.)** \$757,500 (\$60.00 sq.ft.)*	\$23.18 sq.ft. None \$23.18 sq.ft.
Maximum Annual Rent	\$723,471 (\$22.97 sq.ft.)	\$783,367 (\$17.75 sq.ft.)	\$59,896
Option to Expand/Extend	One five-year option	None	No option provided
Cancellation	At or anytime after 24 th month of the option period upon 90 days prior written notice.	At or anytime after 36 th month upon completion and acceptance of TI to additional space. Partial cancellation allowed.	County can exercise cancellation 3 years after commencement of the term.
Parking (included in Base Rent)	141 spaces	191 spaces	50 spaces

* The maximum amount of additional TI dollars available for the additional space is \$757,500. Annually, that amount equates to \$163,852 when amortized at 9 percent over the six-year term.

** Applicable to the additional space only.

Sufficient funding for the proposed lease is included in the 2002-03 Proposed Budget for Rent Expense and will be charged back to DHR and CAO. Sufficient funding is available in the Proposed DHR and CAO budgets to cover the projected lease costs. The costs associated with the proposed amendment are 100 percent net County cost.

The monthly rent under the proposed amendment is subject to an annual Consumer Price Index (CPI) adjustment capped at three percent per year of the base year rent.

The total estimated purchase costs for the telephone, data and low voltage systems in the expansion space is not to exceed \$250,000 and shall be paid in a lump sum payment by DHR. Should the Lessor be able to provide the telephone, data and low voltage systems at or below the County's cost, the recommendation herein allows for the payment of these costs to the Lessor and, at the discretion of the CAO, all or part of these costs may be paid in a lump sum payment to ISD or the Lessor. With regard to the optional 10,234 square feet, there will be little or no need for new telephone, data and low voltage systems, because the space has been occupied by DMH and the systems are already in place.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The lease for the existing space is currently beginning the fourth year of a five-year term, and provides 31,500 rentable square feet at the subject facility, which serves as the primary headquarters for DHR's examination and training programs. This lease contains an option to renew the existing space for a period of five years under the same terms, conditions and rental rate. The Lessor had no objection to the County's early exercise of the option.

The proposed additional 12,625 rentable square feet will provide the space necessary for DHR to implement expansion of several of its core human resource service programs as reflected in DHR's Strategic Plan. Among the programs targeted for expansion are the Training Academy, Examinations and Recruitments, Countywide Classifications and Employee Benefits.

- The proposed action will allow the expansion of the Training Academy staff. The Training Academy is an innovative partnership with the California State University system, community college districts, and Los Angeles Unified School District Adult Education Program, for ongoing training and development of the County workforce.
- The County Human Resources Programs are responsible for providing core services on a continuous and special request basis. The program's proposed expansion will allow for increased processing of employee appeals caseloads, employee benefits claims, information technology recruitment, job evaluation studies and Countywide examinations and executive recruitments.

The proposed amendment would renew the lease for 31,500 square feet of office space and 141 parking spaces and lease an additional 12,625 square feet of office and 50 parking spaces providing a total of 44,125 rentable square feet of office space and 191 parking spaces for a six-year term. This lease as amended also contains the following provisions:

- The six-year term for the renewal space commences upon approval by your Board and, for the additional space, upon completion of the tenant improvements and acceptance thereof by the County. The term for the existing space shall be co-terminous with the term for the additional space.
- The lease will continue to be on a full-service basis.
- The County has the exclusive right to cancel this lease or reduce the space at any time after the 36th month following completion and acceptance of the tenant improvements to the additional space, upon 60 days prior written notice to Lessor.
- The 31,500 rentable square feet of existing office space currently occupied is entirely built out and no other improvements are required.
- Additionally, the proposed Amendment provides the County with an option for additional space of up to 10,234 square feet. The majority of the space, 9,034 square feet, is currently occupied by the Department of Mental Health (DMH) on a month-to-month basis since the expiration of their lease on December 20, 2001. The DMH lease has not been renewed because DMH staff are moving to recently vacated County-owned space at 510 S. Vermont. An additional 1,200 square feet suite adjacent to County's space on the third floor was also added to the option area as a possible expansion area. The option is for the same terms, conditions and rental rate as the current space, as adjusted for the CPI.

A portion of the renewal space will be reallocated to the CAO upon the consolidation, and transfer of the DHR portion, of the Risk Management function, pursuant to the Board's instruction of April 30, 2002, as detailed in the Final Changes to the Proposed Budget. In addition, that consolidation may require additional space for newly hired management as well as consolidation of other risk management staff currently located elsewhere; in that

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case the CAO will be authorized to exercise the option for that portion of the option space determined to be necessary. Discussions are now taking place between the CAO and DHR on different implementation plan strategies, and a determination will be made in the near future regarding the amount, if any, of the expansion space necessary to carry out the Risk Management program.

CAO Real Estate staff surveyed the Wilshire corridor area to determine the availability of comparable and more economic sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search area for this program and there are no County-owned or leased facility available for this program.

Based upon a survey of similar properties in the Wilshire corridor area, staff has determined that the base rental range including parking is between \$18.60 and \$21.36 per square foot per year full-service gross. Thus, the base annual rental rate of \$14.04 per square foot for the proposed lease amendment represents a well below-market rate for the area.

The Department of Public Works has inspected this facility and found it suitable for the County's continued occupancy.

The subject premises does not have sufficient space to provide or construct a child care center.

ENVIRONMENTAL DOCUMENTATION

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed lease amendment is in the best interest of the County and will adequately provide the necessary space for this County requirement.


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In accordance with your Board's policy on the housing of any County offices or activities, DHR concurs with this lease amendment recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two certified copies of the executed Lease Amendment, and two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:MS:pb

Attachments (4)

c: County Counsel
Auditor-Controller
Department of Human Resources
Internal Services Department

**Department of Human Resources
County Human Resources and Benefits Administration/Central Operations**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			<u>X</u>
B	Does lease co-locate with other functions to better serve clients? ²	<u>X</u>		
C	Does this lease centralize business support functions? ²	<u>X</u>		
D	Does this lease meeting the guideline of 200 sf of space per person? ² Ratio of 1/191	<u>X</u>		
2. <u>Capital</u>				
A	Should program be in leased space to maximize State/Federal funding?		<u>X</u>	
B	If not, is this a long term County program?	<u>X</u>		
C	Is it a net County cost (NCC) program? 100.00%	<u>X</u>		
D	If yes to 2 B or C; capital lease or operating lease with an option?		<u>X</u>	
E	If no, are there any suitable County-owned facilities available?		<u>X</u>	
F	If yes, why is lease being recommended over occupancy in County-owned space?		<u>X</u>	
G	Is Building Description Report attached as Attachment B?	<u>X</u>		
H	Was build-to-suit or capital project considered? Existing facilities at competitive rental rates were available for lease.		<u>X</u>	
3. <u>Portfolio Management</u>				
A	Did department utilize CAO Space Request Evaluation (SRE)?	<u>X</u>		
B	Was the space need justified?	<u>X</u>		
C	If a renewal lease, was co-location with other County departments considered?	<u>X</u>		
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located. CSSD is also in building.			
E	Is lease a full service lease? ²	<u>X</u>		
F	Has growth projection been considered in space request?		<u>X</u>	
G	Has the Dept. of Public Works completed seismic review/approval?	<u>X</u>		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

Please **BOLD** any written responses

ATTACHMENT B

**SPACE SEARCH-THREE MILE RADIUS FROM
3333 WILSHIRE BOULEVARD, LOS ANGELES**

LACO	FACILITY NAME	ADDRESS	SQ.FT. GROSS	SQ.FT. NET	OWNERSHIP	SQ.FT. AVAILABLE
A388	ALT PUBLIC DEF-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD, LOS ANGELES 90017	6500	6175	LEASED	NONE
D155	COUNTY COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	1588918	833522	FINANCED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	125469	FINANCED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	83164	79006	LEASED	NONE
A496	PUBLIC DEFENDER-L.A. LAW CENTER BUILDING	207 S BROADWAY, LOS ANGELES 90012	7100	6750	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES 90012-3503	30452	27703	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
A360	DPSS-METRO NORTH AP/CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
5518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	183874	OWNED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650	OWNED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDICAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	33635	LEASED	NONE
3155	PERFORMING ARTS CENTER-ANNEX/DE LISA BUILDING	301 N GRAND AVE, LOS ANGELES 90012	55164	35956	OWNED	NONE
X015	LOS ANGELES COUNTY LAW LIBRARY	301 W 1ST ST, LOS ANGELES 90012	215960	126000	OWNED	NONE
A336	CHILD SUPPORT SERVICES-WILSHIRE CENTRE BLDG	3055 WILSHIRE BLVD, LOS ANGELES 90010	24755	23265	LEASED	NONE
A408	DC&FS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	105568	LEASED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	134851	OWNED	NONE
A160	MENTAL HEALTH-HEADQUARTERS OFFICE ANNEX	3160 W 6TH ST, LOS ANGELES 90020	60800	28372	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
A409	DCSS-WILSHIRE PLAZA BUILDING	3303 WILSHIRE BLVD, LOS ANGELES 90010	4000	3900	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	62479	57590	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	1	1	LEASED	NONE
A532	HEALTH-METROPLEX WILSHIRE BUILDING	3530 WILSHIRE BLVD (AT NORMANDIE), LOS ANGELES 90010	82013	70631	LEASED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE, LOS ANGELES 90037	26000	221000	LEASED	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1000	1000	LEASED	NONE
A425	DC&FS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	67263	63356	LEASED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	18221	OWNED	NONE
C500	PROBATION-PRETRIAL SERVICES / BAIL DEVIATION	500 SHATTO PL SUITE 600 SUITE 610 AND SUITE 620, LOS ANGELES 90020	6596	5094	LEASED	NONE
D181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	2874270	1745545	FINANCED	NONE
A369	DC&FS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
5252	DPSS-METRO NORTH IHSS / SPECIALIZED SERVICES	5026 SANTA MONICA BLVD, LOS ANGELES 90029	18645	14737	OWNED	NONE
X510	DHS-LESAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24840	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BUILDING	532 S VERMONT AVE, LOS ANGELES 90020	14126	10314	OWNED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	148065	132610	OWNED	NONE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	22544	FINANCED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	202151	149903	LEASED	NONE
A480	PKS & REC-CAPITAL PROJECTS/PROJECT MGT OFFICE	680 WILSHIRE PL, LOS ANGELES 90005	7852	7156	LEASED	NONE
B695	DC&FS-ADOPTIONS DIVISION OFFICES	695 S VERMONT AVE, LOS ANGELES 90010	71370	58635	LEASED	NONE

**AMENDMENT NO. 1 TO LEASE NO. 71245
DEPARTMENT OF HUMAN RESOURCES
3333 WILSHIRE BOULEVARD, LOS ANGELES**

This Amendment No. 1 to Lease No. 71245 is made and entered into in duplicate original this ____ day of _____, 2002 by and between 3333 WILSHIRE, LLC, hereinafter referred to as the Lessor, and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as the Lessee,

WHEREAS, Lease No. 71245 (the "Lease") was entered into by and between Core Investment Group, LLC and the County of Los Angeles on February 10, 1998 to lease approximately 31,500 rentable square feet of office space located at 3333 Wilshire Boulevard, Los Angeles (the "Premises"), for a term of five years; and

WHEREAS, 3333 WILSHIRE, LLC, successor to Core Investment Group, LLC, is now the Lessor and assumed all rights, interests and obligations granted pursuant to the Lease; and

WHEREAS, pursuant to Paragraph 2, TERM, subparagraph B. Options to Renew of the Lease, Lessee is desirous to exercise its option to renew thereby extending the term of that portion of the Premises currently leased. Lessor is in agreement with extending and amending the term pursuant to Paragraph 2. herein; and


WHEREAS, Lessee desires to lease an additional 12,625 rentable square feet of space located on the third floor of the Premises, and

WHEREAS, Lessee is desirous to obtain an option for additional space under the same terms, conditions, and rental rate and Lessor is in agreement to provide the option.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 71245 as follows:

1. Upon execution of this Amendment by the parties herein and completion of the tenant improvements by the Lessor as described hereinafter, **Paragraph 1, DESCRIPTION OF PREMISES** of the Lease shall be deleted in its entirety and replaced with the following:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 3333 Wilshire Boulevard, City of Los Angeles, in the County of Los Angeles, State of California, more particularly described as follows:


INITIAL

Suite A

Approximately 31,500 rentable square feet of office space comprising a portion of the ground floor (consisting of 6,400 rentable square feet) and the entire tenth floor (consisting of 25,100 rentable square feet). Lessor and Lessee acknowledge that Lessee has had beneficial occupancy of Suite A and rent commenced on April 10, 1998 for this Suite.

Suite B

Approximately 12,625 rentable square feet of office space comprising a portion of the third floor.

The entire lease Premises shall consist of approximately 44,125 rentable square feet and 193 structured/surface parking spaces. Lessor represents that 44,125 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above. Lessee shall have the exclusive right within ninety (90) days of approval by the Board of Supervisors to field-measure and verify the exact square footage of Suite B. All measurements to be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 accomplished by the mutual execution of a Memorandum of Understanding between the Lessor and the Lessee. Lessor acknowledges that he has marketed the space at the above indicated amount and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

Rent for Suite B shall not be due and owing until the tenant improvements for Suite B have been completed by Lessor as evidenced by the issuance of a Certificate of Occupancy (or a Temporary Certificate of Occupancy, or a final sign-off, if applicable) by the City of Los Angeles, pursuant to Paragraph 7 of this Amendment herein and acceptance thereof by the Lessee, but in no event later than November 1, 2002 and ending six (6) years thereafter. Notwithstanding the prior commencement of the Lease term, the rent shall not be due for Suite B and owing until said Lessee accepts the improvements to be performed by Lessor. Should there be any delays beyond the control of the Lessor, then the Lease commencement date for Suite B may be adjusted accordingly upon the mutual consent of Lessee and Lessor. Said acceptance and commencement of rent for Suite B shall not occur any earlier than thirty (30) days after completion of construction of the telephone intrabuilding network cable (INC) if applicable, and the telephone equipment room, including permanent power and HVAC, in compliance with the attached plans and specifications referenced as Exhibit "A". Additionally, said acceptance and commencement of rent shall not occur any earlier than 15 days after receiving a notice from Lessor indicating that all tenant improvements required for Suite B have been completed in compliance with the attached plans and specifications (Exhibit "A") and the space is ready for beneficial occupancy. In the event Lessee conducts a walkthrough and it is determined by Lessee, at Lessee's sole discretion, that the tenant improvements have not been completed, or the space is not ready for Lessee's occupancy, then, Lessee shall not be obligated to commence the rent for Suite B per Paragraph 3 herein until actual beneficial occupancy.



Additionally, Lessor shall be required to provide Lessee with another notice, and Lessee shall not accept the space any sooner than fifteen (15) days from the date of the second notice. The process may be repeated until the tenant improvements are completed for Suite B and the space is ready for Lessee's occupancy. Lessee shall not unreasonably withhold its approval. Lessee hereby agrees to make timely inspections and to make timely notices of its approval or disapproval of said work. Lessor and Lessee shall promptly execute the "Memorandum of Commencement Date" attached hereto as Exhibit "B" following commencement of the Lease term for Suite B subject to any remaining minor punch-list items. The Chief Administrative Officer, is hereby authorized to sign on behalf of Lessee.

Notwithstanding anything contrary herein, the term for Suite A shall be co-terminus with the term for Suite B.

2. Upon execution of this Amendment by the parties herein and acceptance of Suite B by Lessee as described above, **Paragraph 2, TERM, subparagraph A. Original Term** of the Lease shall be deleted in its entirety and replaced with the following:

The term for Suite A shall be extended to be co-terminous with, and shall merge with, that of Suite B, so that the term of the entire Lease shall terminate six (6) years after the completion of the tenant improvements and acceptance of Suite B by Lessee.

Upon execution of this Amendment by the parties herein, **Paragraph 2, TERM, subparagraph B. Options to Renew** of the Lease shall be deleted in its entirety.

3. Upon execution of this Amendment by the parties herein and acceptance of Suite B by Lessee as described above, **Paragraph 3, RENT** of the Lease shall be deleted in its entirety and replaced with the following:

Lessee hereby agrees to pay as rent for said demised Premises during the term as follows:

- A. The sum of THIRTY-SIX THOUSAND EIGHT HUNDRED FIFTY-FIVE AND NO/100 DOLLARS (\$36,855.00) for Suite A.
- B. The sum of TWENTY-FOUR THOUSAND EIGHTY-ONE AND 53/100 DOLLARS (\$24,081.53) as additional tenant improvements amortization for Suite A. This payment shall cease as of April 9, 2003, unless otherwise paid sooner.
- C. The sum of FOURTEEN THOUSAND SEVEN HUNDRED SEVENTY-ONE AND 25/100 DOLLARS (\$14,771.25) for Suite B.
- D. The amount required to amortize the additional tenant improvements as requested by Lessee for Suite B in a total amount not to exceed \$757,500.00, amortized at nine percent (9%) over the then remaining term of the Lease, i.e., six (6) years.

All rental payments shall be payable in advance by Auditor's General Warrant and shall be made within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

4. Upon execution of this Amendment by the parties herein, **Paragraph 5, CANCELLATION** of the Lease shall be deleted in its entirety and replaced with the following:

At or any time after the thirty-sixth month following the completion of the tenant improvements to and acceptance of Suite B by Lessee, Lessee, at its sole discretion and upon not less than sixty (60) days prior written notice by Chief Administrative Office letter to Lessor, shall have the right to either cancel this Lease in its entirety or reduce the leased Premises,

In the event Lessee elects to reduce the leased premises, the monthly base rent shall be reduced in an amount proportionate to the reduction in the leased area of the Premises. Lessee shall provide sixty (60) days prior written notification to Lessor indicating the reduction to the leased premises, the new monthly base rent and the effective date of such reduction.

All measurements of the reduction area shall be in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International.

Should the Lessee exercise its right to cancel the Lease in its entirety, Lessee shall reimburse within sixty (60) days of such cancellation, the unamortized balance of the additional tenant improvements for Suite B actually expended by Lessor at Lessee's request.

In the event Lessee elects to reduce the leased Premises, Lessee shall reimburse to lessor within sixty (60) days of such reduction the unamortized balance of the additional tenant improvements actually expended by Lessor at Lessee's request attributable to the area of reduction. In the event of such reduction, the parking spaces allocated to Lessee shall also be reduced at the rate of 4 spaces for every 1,000 sq.ft. of space reduction (4/1,000), and any subsequent Rental Adjustments pursuant to Paragraph 6 herein, shall also be reduced accordingly.

5. Upon execution of this Amendment by the parties herein, **Paragraph 16, CONDEMNATION** and **Paragraph 20, PARKING SPACES** shall be amended by deleting any and all reference to One Hundred and Forty One (141) and substituting therefor One Hundred Ninety-One (191).
6. Upon execution of this Amendment by the parties herein, **Paragraph 27, RENTAL ADJUSTMENT** of the Lease shall be deleted in its entirety and replaced with the following:

- A. After commencement of the term for Suite B, and for each successive twelve (12) months of the original term of this lease thereafter, the monthly rental shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of this lease and every twelve months thereafter, the rent for Suites A and B shall be adjusted in accordance with the CPI formula as set forth below (subparagraph B). The "Base Index" shall be the Index published for the month the lease commences for Suite B.
- B. **CPI Formula:** The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange Co. area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment for the Base Rent shall be calculated by multiplying the Lessor's base rent, i.e., components A and C of Paragraph 3, RENT, by a fraction, the numerator being the New Index which is the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published for the month the lease commenced, then add or subtract to that total result the Amount needed to amortize Lessee's additional tenant improvements plus change order costs, if any.

The formula shall be as follows:

$$\left[\frac{\text{New Index}}{\text{Base Index}} \right] \times \$ \text{_____ Base Rent} \quad \text{(i.e., components A and C of Paragraph 3, RENT at the commencement of the term as may be adjusted by the deletion or addition of space pursuant to this amendment)}$$

+ Amount needed to amortized Lessee's additional tenant improvements for Suite A,

± Amount needed to amortized Lessee's additional tenant improvements for Suite B,

± Amount needed to amortize change order costs, if any

= Monthly Base Rent

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the lease, the Index shall be converted in accordance with the conversion factor published by the United State Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of

this lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with the provisions of Code of Civil Procedure Section 1280 et seq as they now exist or may later be amended for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. General Provisions:

1. In no event shall the monthly rent adjustment based upon the CPI formula set forth above result in an annual increase greater than three percent (3%) per year of the monthly base year rent at the time of commencement of the term for Suite B. By way of illustration, if the total Base Rent at the time of commencement of the term for Suite B is \$50,000, then in no event shall the rental adjustment be greater than \$1,500 per month in any one year.
 2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the lease.
7. Upon execution of this Amendment by the parties herein, **Paragraph 28, TENANT IMPROVEMENTS-SUITE B** shall be added to the Lease and read as follows:

TENANT IMPROVEMENTS-SUITE B:

A. Tenant Improvement Allowance:

Lessor within ten (10) days after receipt of a duly executed copy of this Amendment No. 1 to Lease 71245 and County-approved preliminary plans, will, at its own expense, cause a licensed California architect to prepare final working drawings and specifications for the proposed interior tenant improvements for Suite B which are to be provided by Lessor up to a maximum cost of \$63,125.00 (\$5.00 per square foot) as estimated by Lessor. Lessor agrees to execute a work letter, ("Tenant Improvement Work Letter") substantially in the form as attached Exhibit "E".

B. Additional Tenant Improvement Allowance:

In the event that the tenant improvement cost exceeds \$63,125.00 (\$5.00 per square foot), Lessee may authorize Lessor after review of estimates and written approval of the Chief Administrative Officer to pay the overage up to a maximum total of \$820,625.00 (\$65.00 per square foot), including the base allowance. Lessee agrees to reimburse Lessor for tenant improvement cost above \$5.00 per square foot, and will amortize said cost at the rate of 9% per annum over a period of six (6) years. The Lessee may at anytime during the Lease term pay Lessor in a lump sum for all or any portion of the tenant improvement cost and reduce the rental rate for Suite B, i.e., component D of Paragraph 3 accordingly. Lessor will notify Lessee of the tenant improvement final cost, and the amount payable monthly

by Lessee as component D of Paragraph 3, RENT. For purposes of ascertaining the actual cost of said tenant improvements, Lessor shall provide to Lessee, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, a detailed breakdown of the total costs of constructing the tenant improvements and execute a summarized breakdown of the total costs of the tenant improvements to Suite B in the form of the attached Exhibit "C" with the right to audit these costs for a period of Twenty-four months from the date of completion and acceptance by Lessee of the tenant improvements to Suite B.

In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

The working drawings are to be prepared in accordance with preliminary plans and specifications No. _____ dated _____, 20____ and No. _____ dated _____. Said Plans and Specifications are also on file with the Chief Administrative Office and identified as Exhibit "A" and incorporated herein by reference thereto and Lessor has a duplicate copy. Lessor shall provide any final working drawings required from said preliminary plans with Lessee having the right to review and approve said final working drawings. All work, construction and materials shall be in final working drawings and specifications. All circuit breakers, fire sprinklers, and plumbing shut off valves shall be labeled as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Lessor shall furnish the Chief Administrative Office with one (1) complete set of reproducible as-built drawings of the tenant improvements to Suite B plus a copy of the as-built plans in an Auto CAD DFX file, together with the existing plans, in possession of Lessor, showing the locations of any underground utility lines and their depths.

Suite B shall meet all applicable City, County State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any work, including construction, that Lessor must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Lessor's sole cost and expense and shall not be considered as part of the tenant improvement allowance. Any work to meet applicable code requirements necessitated by Lessee's special requirements shall be included as part of the tenant improvement allowance.

The Lessor shall submit three bids for the construction of the tenant improvements to Suite B to the County for its review prior to award of the contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs including A/E fees, permits, reasonable contractor's profit and overhead, and project management fees. Three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

The tenant improvement cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Lessor.

C. Completion

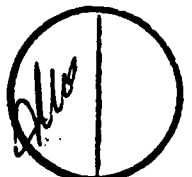
The parties agree that the estimated time for completion of said tenant improvements is 120 days from the date of issuance of the building permit based on the Construction Schedule attached herewith as Exhibit "D". Lessor shall file for a building permit to construct the improvements within ten (10) days of completion of final working drawings and acceptance by Lessee, and diligently pursue to obtain the permit as soon as possible.

Additionally, Lessor shall complete the telephone equipment room(s) including permanent power and HVAC in compliance with the plans and specifications referenced above as Exhibit "A" at least thirty (30) days prior to the estimated completion date. During this thirty (30) day period, the Lessor shall be responsible for any telephone/data equipment delivered to the site for programming prior to the completion date. Completion may be delayed by:

1. Acts or omissions of Lessee or of any employees or agents of Lessee (including change orders in the work), or
2. Any act of God which Lessor could not have reasonably foreseen and provided for, or
3. Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
4. Any war or declaration of a state of national emergency, or
5. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

D. Change Orders

All Lessee requested and approved change orders shall not exceed a total cost of Eighty-Two Thousand and No/100 Dollars (\$82,000.00) and Lessor shall not be required to accept any particular change order if the total cost of prior Lessee initiated change orders exceeds Eighty-Two Thousand and No/100 Dollars (\$82,000.00). The Chief Administrative Officer, is hereby authorized to approve change orders on behalf of Lessee. Lessee may pay for change order costs in lump sum, or may, at its option, amortize the change order costs over a period of six (6) years including interest at the rate of nine percent (9%) per annum, i.e., Eighteen and 03/100 (\$18.03) per month for each ONE THOUSAND DOLLARS (\$1,000.00) of change order costs. Lessor, or Lessor's contractor, shall submit to the Chief Administrative Officer, with each requested change order (a) specific cost of the requested change; (b) the cumulative net total cost of all change orders previously approved; and (c) an estimate of the construction time which will be increased or shortened if the change order is approved. Each change order shall be signed and dated by the Chief Administrative Officer to be considered approved. Lessee shall have the right to audit the cost of the changes for a period of twenty-four months from the date of completion and acceptance by Lessee of the tenant



improvements. In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

E. Lessee Remedies

If Lessor fails to obtain the building permit within a reasonable time, taking all factors into consideration, or if tenant improvements have not been completed within sixty (60) days from the estimated time of completion, which period shall be extended for a reasonable time for delays enumerated in subparagraph B above, Lessee may, at its option:

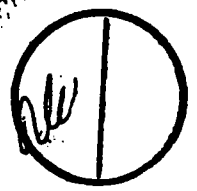
1. Cancel the Lease upon thirty (30) days written notice to Lessor; or
2. Upon thirty (30) days written notice to Lessor, assume the responsibility for providing the tenant improvements itself.

If Lessee elects to provide tenant improvements itself, then:

- a. Lessee, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of constructing the tenant improvements and for any other purposes reasonably related thereto
- b. Rent shall be reduced by Lessee's total expense in constructing the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of 9%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over 6 years.

8. Upon execution of this Amendment by the parties herein and pursuant to **Paragraph 21, HAZARDOUS MATERIALS** of the Lease, Lessor agrees to provide an asbestos report indicating that all asbestos containing materials have been properly abated or that they do not exist in Suite B.
9. Upon execution of this Amendment by the parties herein, **Paragraph 29, OPTION FOR ADDITIONAL SPACE-SUITE C** shall be added to the Lease and read as follows:

For a period of six months from the time Lessee's Board of Supervisors approves this Amendment, Lessee shall have the option to lease up to an additional 10,234 square feet of space at the same terms, conditions, and rental rate (including parking) as indicated in this Amendment (Suite C). This space comprises 9,034 square feet of space in Suite 820, currently occupied by Lessee on a month-to-month tenancy, and 1,200 square feet remaining vacant space on the third floor adjacent to Suite B in this Amendment. The term for Suite C shall commence upon the exercise by Lessee of its option herein, pursuant to



a letter from the Chief Administrative Officer, and shall terminate at the same time as Suite A and B terminate. Notwithstanding the commencement of the term, rent for the Suite C shall not commence until Lessor complete the tenant improvements to Suite C and Lessee accepts the improvements. Lessee shall be entitled to the same tenant improvement allowance as indicated in Paragraph 7 of this Amendment, except that the Base Tenant Improvement, Additional Tenant Improvement Allowance and Change Orders shall be prorated to reflect the amount of space for which the option was exercised. Lessee shall have the same remedies, rights and obligations as described in Paragraph 7, as if the same were fully recited herein, except that the amortization of the Additional Tenant Improvements shall be over the then remaining term.


10. Notwithstanding anything to the contrary, all other terms and conditions contained in Lease No. 71245 shall remain in full force and effect, and are hereby re-affirmed.

IN WITNESS WHEREOF, the Lessor has executed this Lease or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

3333 WILSHIRE, LLC

By
Name:
Title:



Mayra Mota

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

LESSEE

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By 
Deputy: Francis E. Scott

EXHIBIT A - PLANS AND SPECIFICATIONS

EXHIBIT B - MEMORANDUM OF COMMENCEMENT DATE FOR SUITE B

This Agreement is dated this ____ day of ____, 20__, for reference purposes only, by and between 3333 Wilshire, LLC, Lessor, and Lessee, County of Los Angeles.

1. THE PARTIES HERETO HAVE ENTERED INTO LEASE NO. 71245 dated as of February 10, 1998 and AMENDMENT NO. 1 TO LEASE NO. 71245 dated as of ____ (collectively the "Lease") for the leasing by Lessor to Lessee of the buildings located at 3333 Wilshire Boulevard, Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:

- A. That all construction by Lessor to Suite B has been completed, if any, required to be done pursuant to the terms of the Lease in all respects subject to any remaining punchlist items;
- B. That Lessee has accepted possession of Suite B and now occupies the same; and
- C. That the term of the Lease commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

3333 WILSHIRE, LLC

By _____

Lessee:

COUNTY OF LOS ANGELES

By _____

Chuck W. West
Director of Real Estate

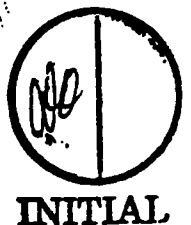


EXHIBIT C - MEMORANDUM OF TENANT IMPROVEMENT COST (SUITE B)

This Agreement is dated this _____ day of _____, 20____, for reference purposes only, by and between Lessor, 3333 Wilshire, LLC, and Lessee, County of Los Angeles.

1. **THE PARTIES HERETO HAVE ENTERED INTO LEASE NO. 71245** dated as of February 10, 1998 and **AMENDMENT NO. 1 TO LEASE NO. 71245** dated as of _____ (collectively the "Lease") for the leasing by Lessor to Lessee of the buildings located at 3333 Wilshire Boulevard, Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:

- A. The final total cost of the tenant improvements for suite B is (\$_____).

This is comprised of:

Lease Budget	Tenant Improvement Allowance for Suite B	Actual Cost	
\$63,125.00	Tenant Improvement Allowance included in Base Rent		
\$757,500.00	Additional Tenant Improvement Allowance		
<u>\$82,000.00</u>	Change Order Allowance		
\$902,625.00	Total		

- B. The final total cost of the modular furniture, if applicable, (which is included in Paragraph 28 is _____ (\$_____).

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

3333 WILSHIRE, LLC

By 

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

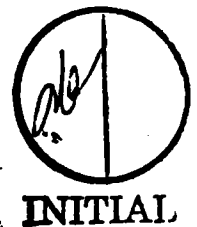


EXHIBIT D - CONSTRUCTION SCHEDULE

EXHIBIT E - WORK LETTER

This WORK LETTER ("Work Letter") pertains to the construction of tenant improvements as provided in Amendment No. 1 to Lease No. 71245, between 3333 WILSHIRE, LLC ("Lessor") and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee"), in connection with the Premises located at 3333 Wilshire Boulevard, Los Angeles.

1. PURPOSE

The purpose of this Work Letter is to set forth how the Tenant Improvements (as defined in Section 8 below) in the Premises are to be constructed, who will undertake the construction of the Tenant Improvements, who will pay for the construction of the Tenant Improvements, and the time schedule for completion of the construction of the Tenant Improvements. The provisions of the Lease, except where clearly inconsistent or inapplicable to this Work Letter as it relates to Tenant Improvements, are incorporated into this Work Letter.

2. PREPARATION OF PLANS: CONSTRUCTION SCHEDULE AND PROCEDURES

Delivery of all plans and drawings referred to in this Section 2 shall be by messenger service or personal hand delivery, unless otherwise agreed by Lessor and Lessee. Lessor shall arrange for the construction of the Tenant Improvements in accordance with the following schedule:

A. Selection of Architect and Engineer

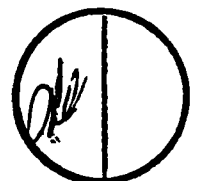
Lessor shall on or before April 22, 2002 solicit at least three (3) proposals from qualified licensed architects ("Architect") and engineers ("Engineer,") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings. The Architect and the Engineer shall be selected by Lessor subject to Lessee's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Lessor has submitted the name of the Architect and the Engineer to Lessee along with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Lessee and written consent has been delivered to and received by Lessor.

B. Base Building Plans

Lessor shall, within sixty (60) days prior to Lessee's execution of the Lease, submit instructions and building plans and specifications representing the "as built" premises in an AutoCAD 2000 format ("Base Building Plans") to Lessee sufficient to allow Lessee to complete a Space Plan and specification (as defined in Subsection C below). In the event that Lessee incurs increased costs because of incomplete plans, such increased costs will be reimbursed to Lessee by Lessor, and any delay caused thereby shall be deemed to constitute a Lessor Delay.

C. Preparation and Approval of Space Plan

Lessee shall submit to the Architect and Lessor an executed Space Plan and



specification for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room ("Space Plan").

Lessee shall submit to Lessor the Space Plan for Lessor's review and approval. Within two (2) days after Lessor receives the Space Plan, Lessor shall either approve or disapprove the Space Plan for reasonable and material reasons which shall be limited to the following: (1) adverse effect on the Building Structure; (2) possible damage to the Building Systems; (3) non-compliance with applicable codes; (4) effect on the exterior appearance of the Building or (5) unreasonable interference with the normal and customary business operations of other tenants in the Building (each, a "Design Problem") and return the Space Plan to Lessee.

In such event, Lessor shall require, and Lessee shall make the minimum changes necessary in order to correct the Design Problems and shall return the Space Plan to Lessor, which Lessor shall approve or disapprove within one (1) day after Lessor receives the revised Space Plan. This procedure shall be repeated until the Space Plan is finally approved by Lessor and written approval has been delivered to and received by Lessee. The Space Plan may be submitted by Lessee in one or more stages and at one or more times, and the time periods for Lessor's approval shall apply with respect to each such portion submitted.

D. Preparation and Approval of Working Drawings

Within ten (10) days of the date the Space Plan is finally approved by Lessor, the "Plan Approval Date", or the date the Lease is approved by the Board of Supervisors, whichever date later occurs, Lessor shall commence with the preparation of Working Drawings by the Architect, the "Working Drawings", which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined in Subsection E below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. Such Working Drawings must incorporate such items as have been specified by Lessor as required for use in the Building, as set forth in Schedule 2 attached to this Work Letter. The Working Drawings may be submitted in one or more stages and at one or more times.

Lessor shall provide Lessee the Working Drawings, or such portion as has from time to time been submitted, for review. However, Lessor shall be solely responsible

to approve the Working Drawings ensuring that such drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

E. Preparation and Approval of Engineering Drawings

Lessor shall cause the Architect, to coordinate all engineering drawings prepared by the designated Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times, for Lessee's review.

F. Integration of Working Drawings and Engineering Drawings into Final Plans

After Lessee has reviewed and Lessor has approved the Engineering Drawings, Lessor shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Lessee.

G. Schedule

Within ten (10) days of the Plan Approval Date, Lessor shall submit a detailed construction schedule, subject to approval by Lessee which approval shall not be withheld provided the schedule conforms to the Construction Schedule attached to Amendment No. 1 to Lease No. 71245 as Exhibit "D", outlining date specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings including respective engineered drawings; submission of plans to local jurisdiction for review; issuance of building permit; submission of plans to contractors for bidding; award of construction contract; construction commencement; construction completion; projected move in date; etc. As the project continues, Lessor shall amend the schedule to reflect any changes to the projected dates.

H. Budget

As provided in Section 9, Lessor shall prepare the Preliminary Construction Budget for Lessee's review within thirty (30) days of the Plan Approval Date in substantially the form attached as Schedule 3 (or in other form in compliance with Construction Specifications Institute (CSI), to be updated weekly until the completion of the tenant improvements and acceptance thereof by Lessee.

3. COMMENCEMENT DATE

A. The "Commencement Date"

The "Commencement Date" shall have the definition set forth in Paragraph 2 of the Lease.

B. Rental Payment Effective Date

Notwithstanding the actual Commencement Date, the payment of rent may be delayed or accelerated, as the case may be, by one (1) day for each day of delay in

the design of or Lessee's move-in into the Premises that is caused by any Force Majeure Delay or Lessor Delay or Lessee Delay. No Lessor Delay, Force Majeure Delay or Lessee Delay shall be deemed to have occurred unless and until the party claiming such delay has provided written notice to the other party specifying the action or inaction that such notifying party contends constitutes a Lessor Delay, Force Majeure Delay or Lessee Delay, as applicable

If such actions or inaction is not cured, or disputed in writing by the other party, within five (5) business days after receipt of such notice, then a Lessor Delay, Force Majeure Delay or Lessee Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice is received and continuing for the number of days the design of the Tenant Improvements and/or Lessee's move-in into the Premises was in fact delayed as a direct result of such action or inaction.

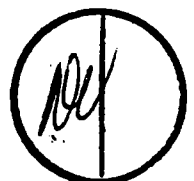
4. **DELAY**

A. **Lessee Delay**

The term "Lessee Delay" as used in the Lease or this Work Letter shall mean any delay that Lessor may encounter in the performance of Lessor's obligations under this Work Letter because of any act or omission of any nature by Lessee or its agents or contractors, including any. (1) delay attributable to changes in or additions to the Final Plans (as defined in Section 2(F) above or to the Tenant Improvements requested by Lessee; (2) delay attributable to the postponement of any Tenant Improvements at the request of Lessee; (3) delay by Lessee in the submission of information or the giving of authorizations or approvals within the time limits set forth in this Work Letter; and (4) delay attributable to the failure of Lessee to pay, when due, any amounts required to be paid by Lessee pursuant to the Lease or this exhibit. In addition, since many project may have change orders, the first twenty (20) business days of any delay which results from a change order initiated by Lessee shall constitute a grace period, the "Grace Period", and shall not constitute a Lessee Delay.

B. **Force Majeure Delay**

The term "Force Majeure Delay" as used in the Lease or this Work Letter shall mean any delay incurred by Lessee in the design of its Tenant Improvements or its move-in into the Premises attributable to any: (1) actual delay or failure to perform attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employee of either party hereto), civil disturbance, further order claiming jurisdiction, act of public enemy, war, riot, sabotage, blockade, embargo; (2) delay due to changes in any applicable laws (including, without limitation, the ADA), or the interpretation thereof; or (3) delay attributable to lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry wide or Building-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of Lessor to timely pay contractor).

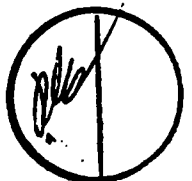


C. Lessor Delay

The term "Lessor Delay" as used in the Lease or this Work Letter shall mean any delay in the design of the Tenant Improvements or the Substantial completion of the Premises which is due to any act or omission of Lessor (wrongful, negligent or otherwise), its agents or contractors (including acts or omissions while acting as agent or contractor for Lessee). The term Lessor Delay shall include, but shall not be limited to any: (1) delay in the giving of authorizations or approvals by Lessor; (2) delay attributable to the acts or failures to act, whether willful, negligent or otherwise, of Lessor, its agents or contractors; (3) delay attributable to the interference of Lessor, its agents or contractors with the design of the Tenant Improvements or the failure or refusal of any such party to permit Lessee, its agents or contractors, access to and priority use of the Building or any Building facilities or services, including hoists, freight elevators, passenger elevators, and loading docks, which access and use are required for the orderly and continuous performance of the work necessary for Lessee to complete its move-in into the Premises; (4) Lessor's failure to complete all telecommunication rooms (including painting, floor covering, lighting, conduit access, permanent power and HVAC systems) and installation of Lessee's telecom cabling (if such work is required pursuant to the Lease), serving the Premises at least thirty (30) days prior to the Commencement Date; (5) delay attributable to Lessor giving Lessee incorrect or incomplete Building Requirements or Base Building Plans, or revisions made to such Building Requirements or Base Building Plans subsequent to the delivery of such items to Lessee (collectively, "Incomplete Plans") in either case, in addition to such delay being deemed a Lessor Delay, Lessor shall increase the Tenant Improvement Allowance by an amount sufficient to reimburse Lessee for the increased costs incurred by Lessee as a result thereof; (6) failure of Lessor to deliver the Base Building Plans and/or the Building Requirements to Lessee at least sixty (60) days prior to the execution of the Lease; (7) delay attributable to Lessor's failure to allow Lessee sufficient access to the Building and/or the Premises during the Construction Period to move into the Premises over one (1) weekend prior to the commencement of rent; (8) delay by Lessor in administering and paying when due the Tenant Improvement Allowance (in which case, in addition to such delay being deemed a Lessor Delay, Lessee shall have the right to stop the construction of the Tenant Improvements) and; (9) delay caused by the failure of the Base Building to comply with the ADA or any other improvements required to be performed by Lessor in order for the Premises to comply with the provisions detailed in Schedule 1 attached hereto (in which case, in addition to such delay being deemed a Lessor Delay, the required work shall not be considered as part of the Tenant Improvement Allowance and all required work shall be completed at Lessor's sole cost an expense) Furthermore, if during the course of construction, building defects are discovered that would otherwise not have been discovered by a reasonably diligent inspection of the Premises at the time construction commenced, and a change to the construction contract is generated as a result thereof, any delay in the completion o the project as a result thereof shall not be considered a Lessor delay, however, the ensuing delay shall not be credited towards the Grace Period provided to Lessee.

5. SUBSTANTIALLY COMPLETE

The term "Substantially Complete" or "Substantial Completion" as used in this Work Letter shall mean compliance with all of the following: (1) the shell and core of the Building are



complete and in compliance with all applicable laws and codes, and all of the Building Systems are operational to the extent necessary to service the Premises; (2) Lessor has sufficiently completed all the work required to be performed by Lessor in accordance with this Work Letter including the installation of modular furniture systems, if so required by the Lease, (except minor punch list items which Lessor shall thereafter promptly complete) such that Lessee can conduct normal business operations from the Premises; (3) Lessor has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (except to the extent delayed by any Lessee Delay); (4) Lessee has been provided with the number of parking privileges and spaces to which it is entitled under the Lease; (5) Lessee has been delivered, at least 30 days prior to the Commencement Date, complete and uninterrupted access to the Premises (and other required portions of the Building and the Site including the completion of all telecommunications rooms power and HVAC that serve the telecommunications room) sufficient to allow Lessee to install its freestanding work stations, (unless such installation is part of the modular workstations to be installed by Lessor pursuant to the Lease) fixtures, furniture, equipment, and telecommunication and computer cabling systems (unless installation of telecommunication cabling is Lessor's responsibility pursuant to the Lease) and to move into the Premises over one (1) weekend and, (6) In the event lessor is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

In the event that the use of the freight elevators and/or hoists is not sufficient to meet Lessee's requirements, Lessor shall cause to be made operational (a) temporary construction elevator and hoist, or (b) Lessee shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Lessee in the installation of Lessee's fixtures, furniture and equipment. In no event shall Lessee's remedies or entitlements for the occurrence of a Lessor Delay be abated, deferred, diminished or rendered inoperative because of a prior, concurrent, or subsequent delay resulting from any action or inaction of Lessee.

6. REPRESENTATIVES

Lessee has designated Rowland Lee of the Chief Administrative Office/Real Estate Division as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessor, shall have the full authority and responsibility to act on behalf of Lessee as required in this Work Letter. Lessor has designated _____, whose mailing address for purposes of any notices to be given regarding matters pertaining to this Work Letter only is _____, as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessee, shall have the full authority and responsibility to act on behalf of Lessor as required in this Work Letter during the period of construction of the Tenant Improvements.

7. CONTRACTOR AND REVIEW OF PLANS

A. Selection of Contractor

Lessor's contractor shall be the contractor selected pursuant to a procedure whereby the Final Plans and a construction contract approved by Lessee are submitted to contractors, selected by Lessor and approved by Lessee, sufficient in number so that

a minimum of three (3) bids are received and who are requested to each submit a sealed fixed price contract bid price (on such contract form as Lessor shall designate) to construct the Tenant Improvements designated on the Final Plans, to Lessor and Lessee, who shall jointly open and review the bids. Lessor and Lessee, after adjustments for the inconsistent assumptions to reflect an "apples to apples" comparison, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract with Lessor consistent with the terms of the bid to construct the Tenant Improvements ("Construction Contract"). The Construction Contract shall not, unless Lessee otherwise directs, require the Contractor to post a completion bond or contain any provision penalizing the Contractor for not completing the Tenant Improvements within a specific period of time.

B. Actual Review Costs

Lessor shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. Furthermore, Lessee shall not pay to Lessor any fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements unless Lessor, as part of its original offer to Lease, has revealed the fees attributable to project management.

C. Meetings

Upon selection of Contractor, Lessor shall immediately identify a time and date for the purposes of holding weekly construction meetings that is mutually acceptable to all parties. During the course of construction, meeting shall be held at least once per week, unless Lessee directs otherwise. A kickoff construction meeting shall be held within five (5) days of the date the contractor is selected

8. TENANT IMPROVEMENTS

The term "Tenant Improvements" shall mean all improvements shown in the Final Plans as integrated by the Architect, and, to the extent specified in the Final Plans, all signage, modular workstations, built-ins, related cabinets and reception desks, to the extent specified in the millwork or comparable contracts, all telecommunication equipment and related wiring, and all carpets and floor coverings, but, except as provided above, Tenant Improvements shall not include any personal property of Lessee.

9. TENANT IMPROVEMENT ALLOWANCE

A. Base Building Compliance - Lessors sole cost and expense

Any work, including construction, that Lessor must undertake to (1) obtain the necessary jurisdictional approvals for a Certificate of Occupancy including amounts required to be expended to cause the Premises to comply with the access requirements of the ADA, and; (2) make existing building systems pursuant to Schedule 1, attached hereto, including but not limited to electrical service and HVAC equipment fully operational for the proposed office occupancy, shall be at Lessor's sole cost and expense. Furthermore, the Tenant Improvement Allowance shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease including all expenses associated with curing any such

"Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere.

Base Tenant Improvement Allowance	\$63,125.00
Additional Improvement Allowance:	\$757,500.00
CAO Discretionary Allowance	\$0.00
Change Orders	\$82,000.00
Total	\$902,625.00

B. Construction Budget

Not more than thirty (30) days from the date of Lessor's receipt of Lessee's Space Plan, Lessor shall submit to Lessee a detailed budget, the "Preliminary Construction Budget", in a format similar to Schedule 3 attached hereto. Said budget shall be revised within ten (10) days of the date the contractor is selected, the "Final Construction Budget". Lessee shall have five (5) days from the date of Lessee's receipt of said budget to approve or disapprove the Final Construction Budget.

Construction shall not begin until such time as Lessee indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from the Lessee. In the event Lessee disapproves the Final Construction Budget due to matters related to cost, provided the Final Construction Budget is ten (10) percent or more higher in cost than the Preliminary Construction Budget, then any delay caused by the necessity to rebid the tenant improvements or redesign the Premises shall not be considered a Lessee Delay.

10. TENANT IMPROVEMENTS DEFINED

A. Tenant improvements are expected to include:

1. Electrical conduit and wire infrastructure from the 480/277 volts and the 208/120 volts panels for all convenience and special outlets in the modular furniture and hard offices.
2. All conduit and outlet boxes required for the LAC's Low voltage and Telecommunication/Data systems wiring.
3. All line voltage wiring to LAC furnished equipment in the MCR and the IDF rooms in each floor as required by LAC.

4. HVAC modifications only as required to accommodate floor to ceiling partitions and a dedicated HVAC unit providing 24 hour air to the MCR.
5. Built-in partitions and rooms.
6. Floor coverings.
7. Millwork.
8. Paint & wall coverings.
9. Signage not required by Code.
10. Interior doors and associated hardware including any card readers.
11. Intrusion detection and alarm system at all entry levels; and,
12. Check point entry system including power supply at parking entrance, all stairwells on each floor, all elevators, and at least two external entrances; and
13. Public address system throughout the building with a minimum of five zones; and,
14. CCTV coverage in all public areas including parking structure; and,

B. THE COUNTY AS LESSEE, WILL SUPPLY THE FOLLOWING, unless otherwise specified to be Lessor's responsibility:

1. All telecommunication and data design, wiring, equipment and installation
2. Panic Alarm System design, wiring, equipment and installation.
3. CCTV cameras only (Installation by Lessor).
4. Checkpoint entry programming, card readers and final hookup at system end (Installation by Lessor).
5. All computer and computer related equipment and installation.
6. All mail room furnishings and equipment.
7. Security equipment and installation except as noted above.
8. All electronic units providing: (Please specify, if any required)

11. LIFE-FIRE SAFETY & DISABLED ACCESS & EARTHQUAKE SAFETY CODES

In the event that, because the Premises and/or the Building as initially constructed do not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, Lessee incurs increased design or construction costs that it would not have incurred had the Premises and/or the Building already been in compliance with the applicable life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, applicable to new construction, then such costs shall be reimbursed by Lessor to Lessee within ten (10) days after receipt by Lessor from Lessee of an invoice document evidencing such increased costs or such costs shall not included in the calculation of tenant improvements attributable to Lessee's allowances and Lessee' shall have no financial responsibility for such costs.

Any delay in the design or construction of the Tenant Improvements or Tenant's move-in into the Premises because of the non-compliance of the Building and/or Premises with the applicable life-fire safety codes and disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes shall constitute a Landlord Delay.

12. LESSOR TO CONSTRUCT BASE BUILDING

Lessor hereby agrees that the Base Building shall include the items set forth in the "Base Building Description" attached hereto as Schedule 1 and shall otherwise be in accordance with the Base Building Plans, and the cost to bring the Building into compliance thereof shall not be included in the Tenant Improvement Allowance. Lessor may make further revisions to such Base Building Plans as long as the Building, when constructed, will be comparable in appearance, design, efficiency, and quality as the building initially described in the Base Building Plans. Exhibit H-Schedule 1 - Base Building Description

13. SHELL AND CORE (SCHEDULE 1) BASE BUILDING DESCRIPTION

At no cost to Lessee, Lessor either has, or shall, supply, furnish, install and finish the following items in full compliance with all applicable laws (including, without limitation, the ADA), regulations and building codes, all at Lessor's sole cost and expense, which shall not be included in the Tenant Improvement Allowance, and which shall comprise, and are hereby defined as, the "Base Building":

- A. Building Shall be Built Pursuant to Schedule 1
Lessor shall build the Building and the Base Building Shell and Core pursuant to this Schedule 1, which obligation shall be deemed satisfied when the Building and the Base Building have been substantially completed, substantially in accordance with the requirements of this Schedule 1 as supplemented and increased (but not decreased) by the Base Building Plans and Building Requirements (as defined in Sections 2(b) and 9 (Base Building Compliance), respectively, of the attached Work Letter), the most current copies of which have been provided by Lessor.

It shall be understood that Lessor may make modifications to the Base Building Plans and Building Requirements, some of which may affect the Premises, as long

as such modifications do not affect the quality of the construction or the materials or equipment used, or substantially and adversely affect the operation of the Building's basic services in such a manner as would interfere with Lessee's quiet and peaceful use, possession and enjoyment of the Building or increase Lessee's future financial responsibility to reimburse, if any. With respect to each building(s), the shell and core includes:

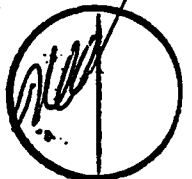
1. The sum of the building's substructure (excavation and recompaction, foundations and basement construction); and,
2. Landscaping (including irrigation system and exterior lighting); and,
3. The vertical structure (wood framing, structural steel, fireproofing and or other structural elements); and,
4. Horizontal structure (including reinforced concrete slab on grade, suspended floors of structural steel framing with metal or reinforced concrete decking and concrete topping)
 - a. Floors: smooth and level concrete floors with troweled finish which shall be level at least to the tolerance of one-quarter inch (1/4") per ten (10) feet on a non-cumulative basis and three-eighths inch (3/8") on an overall basis.
 - b. Design to support a minimum live load of 120 lbs per square foot and an additional partition load of 20 lbs per square foot for a total of 140 lbs per square foot.
 - c. Smooth, level and ready to receive carpeting, tile, marble or wood flooring without additional floor preparation. and,
 - d. Roofs: with a 20-year bondable life (including structural steel framing with metal decking and concrete topping, and fireproofing at steel structure or other framing); and,
5. Exterior cladding of a weather tight material with a maintenance free life expectancy of at least twenty (20) years (including exterior wall finish, metal framing, insulation, exterior glazing, including reflective glass windows in compliance with ASHERA standards, doors and painted gypsum board to interior face of exterior walls); and,
6. Roofing and waterproofing (including roof insulation, roofing, sheet metal flashings, roof access and ventilation, caulking and sealants); and,
7. Dropped ceilings on 2' X 4' grid system with standard 2' X 2' scored acoustical tiles, lighting, consisting of 2' X 4' lay-in light fixtures and a general lighting level of 50 foot candles at desktop height; and,
8. Lighting, Installed and operating in main lobby, all stairwells, elevators,



lobbies, mechanical rooms, utility rooms, other lighting as required by code. Exterior lighting installed as required by design.

9. Interior partitions at elevator and lobby areas (including metal stud framing, durable finished walls, interior and fire doors); Core walls (except all levels below-grade), service core walls, perimeter walls, elevator lobby walls, and columns (exterior columns extended slab-to-slab) all installed, clad with properly rated Sheetrock, taped, sanded, patched, filled, dusted and ready to receive paint or other Tenant finish and,
10. All Signage required by local codes including but not limited to building identification, restroom designation and exit identification
11. Durable interior finishes for elevator and main lobbies (including floor, wall and ceiling finishes with long life durable products); and,
12. Functional equipment at core areas vertical transportation (including stairs, elevators with cabs and durable interior finishes, and access ladders) including at least five (5) passenger elevators servicing Tenant's floor installed and operational as designed to operate at 800 FPM. All freight elevators installed and operational as designed including freight vestibules installed as designed per code; and
13. Loading dock facilities installed as designed; and,
14. Plumbing Water and drainage on each floor (including concealed pipe work, rain water drainage, fire sprinkler systems, landscaping irrigation, Restrooms including, Men's and women's washrooms on each floor in compliance with the Base Building Plans, all applicable laws (including, without limitation, the ADA) and codes and finished with:
 - a. Ceramic tile or better on floors (but not in the vestibule) and wet walls at least up to the height of the wainscot; (ii) other walls and ceilings finished;
 - b. Vanities with corian counters, cubicles, accessories, fixtures, trim lighting and all mechanical and plumbing services completed; and
 - c. Other lighting sufficient for first class washrooms. (iv) One refrigerated drinking fountain per floor, installed in compliance with all applicable laws (including, without limitation, the ADA) and codes.
15. Heating, ventilating, and air conditioning from a central plant or package units as the case may be, (including mechanical equipment and duct work distribution to all areas) sufficient to accommodate the proposed occupancy;
 - a. Access at core to an installed general exhaust system for toilets only.

- b. Access on applicable floor to general exhaust system available to serve kitchens and pantries, and computer, reproduction, and conference rooms, and other office equipment normally and customarily requiring special exhaust. and,
16. Core Doors. Building Standard core doors for stairwells, electrical, mechanical, janitorial and telephone rooms and washrooms all installed, primed, sanded, dusted, and ready to receive paint or other Lessee finish. Doors finished and complete with frame, trim, hardware, locking devices, electric door releases and/or magnetic hold-open devices where applicable and closers.
17. Electrical backbone system sufficient to distribute power to the mechanical systems, building systems and at least 4.5 watts of electrical power per rentable square foot; and
18. Electrical and telecommunications service of sufficient capacity to the building including all 480/277 volts panels for lighting.
- a. All 208/120 volts panels to support Los Angeles County's (LAC) computer loads.
- b. Separation of 208/120 volts panels for LEADER equipment, if any, from all other loads.
- c. Transformers supplying power to the LEADER panels, if any, shall be PowerSmith type to cancel the harmonics of the computers.
- d. 208/120 volts panels for LEADER equipment, if any, shall have 200 percent rated neutral bar, equipment ground bar and an isolated ground strip and Transient Voltage Suppression System.
- e. Power to all HVAC and elevator loads.
- f. Safety Systems (including wet fire sprinkler system to all building areas and parking garages, and fire alarm system). Lessor shall install, or has installed, life safety improvements including life safety panel(s) and controls (the cost of which will be paid by Lessor and not included in the Tenant Improvement Allowance) to the extent required by shell and core construction for a temporary certificate of occupancy for the Building, or, if greater, to the extent already constructed in the Premises and Building as of _____. A sprinkler system installed in compliance with code for floors, including main loop connected to core and drops in place with heads installed per code for an unimproved (non-occupied) floor. Fire hose and extinguisher cabinets finished and installed at each stairwell or as required by code for shell and core construction. Exit signs at all stairwells. Smoke detectors on both sides of all doors in all elevator lobbies and all other areas as required by code. Fire extinguishers



as required by code for shell and core construction. Fire horns and exit signs as required by code for shell and core construction. Electric door releases and magnetic hold-open devices, as applicable installed for all fire doors. Speakers, cameras and such other life safety equipment as required by code to obtain a final building inspection and/or permanent certificate of occupancy for the Premises. and,

19. Cable tray distribution throughout the building sufficient to carry all data, telephone, panic alarm, CCTV, security system and public address cabling; (specification and size to be supplied by County); and,
20. Exterior fencing and gating.
21. General
"All areas" above means to accommodate total coverage throughout the building for the use specified. It does not include special HVAC provisions necessitated by Tenant Improvement floor to ceiling partitions.
 - a. The fire alarm, intrusion alarm, checkpoint entry and CCTV systems must be capable of interfacing with an integrated software control package supplied and programmed by the County.
 - b. To the extent there are improvements to the Base Building in excess of the foregoing, such improvements will remain as part of the Base Building work at no cost to Tenant, and shall be in accordance with the Base Building Plans.
 - c. The cost of installing all demising walls (including the corridor wall separating the Premises from the corridor), fire dampers and transfer boots shall be borne by Lessor.

14. **BUILDING STANDARD TENANT IMPROVEMENT ITEMS**
[*To Be Provided By Landlord*]

All items listed below, except those items which are preceded by an asterisk (*), may be substituted for items of equal or higher quality at Tenant's election, and Tenant shall receive a credit toward the costs of such substituted items equal to the costs that would have been incurred for the items listed below.

